

RUSSIA AND THE WEST IN IRAN

treat)' of friendship and by several conventions regulating tariffs, trade, navigation, and the reciprocal settlement of nationals. By that time the old Wonckhaus Company had reappeared in the south.

German expansion "was, however, more noticeable in the north. The main route of German merchandise was the Trebizond-Tabriz line rather than the Gulf. An Iranian observer of German penetration remarked that the British favored German economic expansion in northern provinces because of its political significance. This, according to him, was especially visible after the conclusion of the Locarno treaties.⁸

In 1932-1933, the last year of the Weimar Republic, Germany's share in Iran's foreign trade amounted to 8 per cent. This was smaller than the shares of the Soviet Union (28 per cent), Great Britain and her Empire (23 per cent), and the United States (12 per cent). At first glimpse Germany's percentage does not look very impressive; yet it should be borne in mind that during the first World War Germany was completely cut off from the Iranian market and, accordingly, was compelled to start from scratch after the end of hostilities. In attaining fourth place, Germany regained the position that she had held before the war and thus in terms of trade successfully reinstated herself.

In the Nazi period, as a result of a skillful commercial policy Germany attained an amazing success in her trade with Iran. Within nine years after Hitler's advent to power the German-Iranian trade increased almost ninefold.⁹ From a poor fourth in 1932, Germany reached the second place on the Iranian trading list in 1937. She was then topped only by the Soviet Union, and even

that did not last long. In 1939 she overtook Russia and maintained her supreme position through the three years preceding the German-Soviet war.

Germany's percentage of Iranian foreign trade also increased rapidly. From 8 per cent in 1932-1933 it rose to 21 per cent in 1936-1937. It reached 41.5 per cent in 1938-1939 and attained the imposing figure of 45.5 per cent in 1940-1941. Thus, according to Iranian statistics, Germany secured for herself almost half of the Iranian

s Gussein Zade Meshti, "Germanskoye Proniknovenye v Persiyu," *Novy Vostok*, no. 13-14, pp. 92-93.
& See Appendix no. VI.